



PETERS & CHANDLER, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

Founded in 1954

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October 28, 2025

To the Audit Committee
St. John the Baptist Catholic Church

We have audited the financial statements of St. John the Baptist Catholic Church (the Parish) for the year ended June 30, 2025, and have issued our report thereon dated October 28, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 13, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by St. John the Baptist Catholic Church are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2025. We noted no transactions entered into by the Parish during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We noted no significant estimates used in the financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of net assets with donor restriction in Note 8 to the financial statements describes the designated use and amounts of funds, as well as the remaining amount of donor restricted funds.

The disclosure of endowment funds in Note 4 to the financial statements describes the types of endowments, the balances of the endowments, and the activity related to the different types of endowments, and the investment policy of the Parish.

The disclosure of related party transactions in Note 7 to the financial statements describes the amount owed to the Parish by a priest, as well as transactions with the Archdiocese of Oklahoma City.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We noted no such misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 28, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Parish's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Parish's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Audit Committee and management of St. John the Baptist Catholic Church and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



CERTIFIED PUBLIC ACCOUNTANTS

St. John the Baptist Catholic Church

Financial Statements

For Years Ended June 30, 2025 and 2024

With Report of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Audit Committee of
St. John the Baptist Catholic Church

Opinion

We have audited the accompanying financial statements of St. John the Baptist Catholic Church (a nonprofit organization), which comprise the statements of assets, liabilities, and net assets – modified cash basis as of June 30, 2025 and 2024, and the related statements of revenue, expenses, and other changes in net assets – modified cash basis and statements of expenses – modified cash basis for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of St. John the Baptist Catholic Church as of June 30, 2025 and 2024, and its revenue, expenses, and other changes in net assets for the years then ended in accordance with the modified cash basis of accounting as described in Note 1.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of St. John the Baptist Catholic Church and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified in respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting as described in Note 1; and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about St. John the Baptist Catholic Church's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of St. John the Baptist Catholic Church's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about St. John the Baptist Catholic Church's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



CERTIFIED PUBLIC ACCOUNTANTS

Oklahoma City, Oklahoma
October 28, 2025

St. John the Baptist Catholic Church
Statements of Assets, Liabilities, and Net Assets - Modified Cash Basis
June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and Cash Equivalents	\$ 2,574,994	\$ 2,407,284
Cash and Cash Equivalents - Restricted for Programs	1,155,435	2,462,966
Endowments	1,036,762	948,711
Related Party Receivables		
Net of Allowance for Credit Losses of \$0 and \$0 at		
June 30, 2025 and 2024, Respectively	<u>28,900</u>	<u>30,749</u>
Total Assets	<u><u>\$ 4,796,091</u></u>	<u><u>\$ 5,849,710</u></u>
LIABILITIES AND NET ASSETS		
Rental Property Deposits	\$ 1,750	\$ 1,750
OK Parental Choice Tax Credit	155,903	436,157
Funds Held for Others - Peru Family to Family	<u>10,005</u>	<u>9,991</u>
Total Liabilities	167,658	447,898
Net Assets		
Without Donor Restrictions	2,824,915	2,346,640
With Donor Restrictions	<u>1,803,518</u>	<u>3,055,172</u>
Total Net Assets	<u>4,628,433</u>	<u>5,401,812</u>
Total Liabilities and Net Assets	<u><u>\$ 4,796,091</u></u>	<u><u>\$ 5,849,710</u></u>

The accompanying notes are an integral part of these statements.

St. John the Baptist Catholic Church
Statement of Revenue, Expenses, and Other Changes in Net Assets - Modified Cash Basis
For the Year Ended June 30, 2025

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Revenue and Other Support			
Sunday and Holy Day Collections	\$ 3,925,940	\$ -	\$ 3,925,940
Other Collections	22,261	67,684	89,945
Parish Departmental Revenues	73,187	545,649	618,836
Special Gifts, Bequests and Drives			
Peru Mission	-	64,117	64,117
Samaritan House	-	263,288	263,288
Project Gabriel	-	2,000	2,000
UCO	7,855	197,565	205,420
Athletics	79,004	-	79,004
St. Elizabeth Ann Seton School	4,030,669	461,750	4,492,419
Child Development	86,880	-	86,880
Rental Property	60,380	-	60,380
PDLF & Other Interest	100,595	63,061	163,656
Net Investment Activity	(9,377)	55,890	46,513
Release from Restriction	2,972,658	(2,972,658)	-
Total Revenues and Other Support	11,350,052	(1,251,654)	10,098,398
Expenses			
Parish	3,037,902	-	3,037,902
Program	983,449	-	983,449
St. Elizabeth Ann Seton School	4,280,120	-	4,280,120
Child Development	97,775	-	97,775
Rental Property	50,662	-	50,662
Total Expenses	8,449,908	-	8,449,908
Net from Operations	2,900,144	(1,251,654)	1,648,490
Other Revenue (Expenses)			
Capital Expenditures	(2,421,869)	-	(2,421,869)
Total Other Revenue (Expenses)	(2,421,869)	-	(2,421,869)
Change in Net Assets	478,275	(1,251,654)	(773,379)
Net Assets - Beginning of Year	2,346,640	3,055,172	5,401,812
Net Assets - End of Year	\$ 2,824,915	\$ 1,803,518	\$ 4,628,433

The accompanying notes are an integral part of these statements.

St. John the Baptist Catholic Church
Statement of Revenue, Expenses, and Other Changes in Net Assets - Modified Cash Basis
For the Year Ended June 30, 2024

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Revenue and Other Support			
Sunday and Holy Day Collections	\$ 3,921,344	\$ -	\$ 3,921,344
Other Collections	5,193	177,753	182,946
Parish Departmental Revenues	66,019	64,220	130,239
Special Gifts, Bequests and Drives			
Peru Mission	-	119,704	119,704
Samaritan House	-	255,798	255,798
Project Gabriel	-	1,000	1,000
UCO	12,630	184,940	197,570
Athletics	36,218	-	36,218
St. Elizabeth Ann Seton School	2,985,282	404,663	3,389,945
Child Development	86,597	-	86,597
Rental Property	60,920	-	60,920
PDLF & Other Interest	92,095	100,872	192,967
Net Investment Activity	29,378	65,427	94,805
Release from Restriction	1,190,820	(1,190,820)	-
Total Revenues and Other Support	8,486,496	183,557	8,670,053
Expenses			
Parish	2,813,964	-	2,813,964
Program	1,020,186	-	1,020,186
St. Elizabeth Ann Seton School	4,001,759	-	4,001,759
Child Development	91,401	-	91,401
Rental Property	32,055	-	32,055
Total Expenses	7,959,365	-	7,959,365
Net from Operations	527,131	183,557	710,688
Other Revenue (Expenses)			
Capital Expenditures	(974,335)	-	(974,335)
Total Other Revenue (Expenses)	(974,335)	-	(974,335)
Change in Net Assets	(447,204)	183,557	(263,647)
Net Assets - Beginning of Year	2,793,844	2,871,615	5,665,459
Net Assets - End of Year	\$ 2,346,640	\$ 3,055,172	\$ 5,401,812

The accompanying notes are an integral part of these statements.

St. John the Baptist Catholic Church
Statement of Expenses - Modified Cash Basis
For the Year Ended June 30, 2025

	PARISH	PROGRAM	ST. ELIZABETH ANN SETON SCHOOL	CHILD DEVELOPMENT	RENTAL PROPERTY	TOTAL
Salaries and Wages	\$ 944,481	\$ -	\$ 2,243,168	\$ 96,302	-	\$ 3,283,951
Payroll Taxes	64,031	-	162,418	-	-	226,449
Employee Benefits	229,438	-	632,191	-	-	861,629
Advertising and Marketing	12,040	11,627	19,579	-	-	43,246
Dues and Subscriptions	-	9,467	21,582	-	-	31,049
Insurance	101,756	-	92,331	-	-	194,087
Janitorial	248,883	-	135,686	-	-	384,569
Repairs and Maintenance	275,159	-	83,029	-	23,491	381,679
Office Expenses	57,393	-	74,468	-	6,540	138,401
Professional Services	23,664	-	-	-	-	23,664
Supplies	187,126	185,938	355,230	1,210	-	729,504
Taxes and Fees	390,714	-	39,398	-	19,781	449,893
Training and Development	554	7,004	-	263	-	7,821
Travel, Meetings, and Field Trips	24,463	18,603	-	-	-	43,066
Utilities	150,896	-	135,325	-	850	287,071
Athletics	-	-	69,141	-	-	69,141
Back to School	-	-	8,179	-	-	8,179
Food and Food Service Expense	-	-	177,274	-	-	177,274
Scholarships	37,155	-	-	-	-	37,155
Mission	-	100,706	-	-	-	100,706
Outreach	287,561	60,482	-	-	-	348,043
Samaritan House	-	246,116	-	-	-	246,116
UCO	-	343,506	-	-	-	343,506
Other Administration Expense	2,588	-	31,121	-	-	33,709
Total Expenses Included in the Expense Section on the Statement of Activities	\$ 3,037,902	\$ 983,449	\$ 4,280,120	\$ 97,775	\$ 50,662	\$ 8,449,908

The accompanying notes are an integral part of these financial statements.

St. John the Baptist Catholic Church
Statement of Expenses - Modified Cash Basis
For the Year Ended June 30, 2024

	PARISH	PROGRAM	ST. ELIZABETH ANN SETON SCHOOL	CHILD DEVELOPMENT	RENTAL PROPERTY	TOTAL
Salaries and Wages	\$ 933,492	\$ -	\$ 2,037,308	\$ 91,080	\$ -	\$ 3,061,880
Payroll Taxes	66,067	-	154,921	-	-	220,988
Employee Benefits	246,768	-	457,957	-	-	704,725
Advertising and Marketing	12,042	13,815	12,019	-	-	37,876
Dues and Subscriptions	-	3,037	14,984	-	-	18,021
Insurance	86,938	-	80,538	-	-	167,476
Janitorial	363,866	-	85,526	-	-	449,392
Repairs and Maintenance	284,229	-	48,614	-	15,782	348,625
Office Expenses	51,993	-	48,890	-	4,694	105,577
Professional Services	25,999	-	-	-	-	25,999
Supplies	143,181	239,164	162,025	321	-	544,691
Taxes and Fees	312,282	-	38,739	-	6,329	357,350
Training and Development	-	2,954	-	-	-	2,954
Travel, Meetings, and Field Trips	42,860	15,764	-	-	-	58,624
Utilities	197,506	-	124,761	-	5,250	327,517
Athletics	-	-	37,818	-	-	37,818
Back to School	-	-	13,757	-	-	13,757
Food and Food Service Expense	-	-	168,868	-	-	168,868
Scholarships	33,470	-	488,731	-	-	522,201
Mission	-	165,179	-	-	-	165,179
Outreach	12,767	48,018	-	-	-	60,785
Samaritan House	-	222,167	-	-	-	222,167
UCO	-	310,088	-	-	-	310,088
Other Administration Expense	504	-	26,303	-	-	26,807
Total Expenses Included in the Expense Section on the Statement of Activities	\$ 2,813,964	\$ 1,020,186	\$ 4,001,759	\$ 91,401	\$ 32,055	\$ 7,959,365

The accompanying notes are an integral part of these financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

St. John the Baptist Catholic Church (“the Parish” or “the Church”) was founded in 1905 and is governed by the Catholic Archdiocese of Oklahoma City. The Parish’s mission statement declares that it is a Catholic Christian Community, called to be faithful, caring, enthusiastic disciples, who build up the kingdom of God by worshipping and praising God, proclaiming the good news of Jesus Christ in word and witness, giving loving service to neighbors and strengthening the parish community. The Parish has many ministries, divided into pillars: worship, formation, outreach, stewardship and community life, and administration. The Parish also includes St. Elizabeth Ann Seton Catholic School (“SEAS” or the “School”), a private Catholic school in Edmond, Oklahoma.

BASIS OF PRESENTATION

The accompanying financial statements have been prepared on the modified cash basis of accounting; consequently, certain support and revenues are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligation is incurred. This is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Modifications to the cash basis include recognition of investments at net asset value, related party receivables, deferred revenue, deposits, and funds held for the Peru mission.

CASH AND CASH EQUIVALENTS

The Parish considers all cash and highly liquid investments with an original maturity of three months or less to be cash and cash equivalents.

Included in cash equivalents are funds held at the Catholic Archdiocese of Oklahoma City (the “Archdiocese”) in the Parish Deposit Loan Fund (“PDLF”). The PDLF investment pool is used by the Archdiocese to provide financing to members of the Archdiocese. Funds deposited with the PDLF earn interest based on the monthly average rate of two-year U.S. Treasury Notes plus 0.25%. Funds held by the Archdiocese through PDLF are stated at fair value, which is determined by original investment value, plus reinvested interest net of distributions received.

INVESTMENTS

The Parish has funds invested in the Catholic Foundation of Oklahoma, Inc. (“CFO” or the “Foundation”). The CFO’s pooled fund investments are held and managed by a trust company affiliated with a major regional bank which has investment authority over the investment transactions subject to investment policies which are established and periodically updated by the Board of Directors of the CFO. The investment pool is generally comprised of money funds, corporate bonds, government bonds, and equity securities.

Investments in these pooled fund investments are recorded at net asset value (NAV), as a practical expedient, to determine fair value of the investments. Net investment return/(loss) is reported in statements of revenue, expenses, and other changes in net assets and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment management and custodial fees. Investments in pooled funds are generally redeemable annually within 30 days. Certain investments may be subject to lock-up periods, gates, or other restrictions that limit redemption. As of June 30, 2025 and 2024, no investments were subject to lock-up or gate provisions.

NET ASSETS

Net assets, revenues and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Parish are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as stipulations that may or will be met either by actions of the Parish and/or the passage of time. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Other donor-imposed restrictions require that the net assets contributed be permanently maintained by the Parish.

DONATIONS OF STOCK AND OTHER SECURITIES

Parish policy requires that donations of marketable securities in the form of stock or bonds must be liquidated through a third-party financial institution as soon as reasonably possible after receipt, unless otherwise specified in writing by the donor.

CAPITAL EXPENDITURES

Buildings, furniture, and equipment are considered a capital expenditure on the statement of revenue, expenses, and other changes in net assets – modified cash basis, and are not depreciated. All assets purchased by the Parish are owned by the Archdiocese of Oklahoma City.

INCOME TAXES

The Parish operates under an exemption from federal income taxes under the Internal Revenue Code Section 501(c)(3) granted to all organizations under the umbrella of the Catholic Church. Accordingly, no provision for federal or state income tax is included in the financial statements.

The Parish follows the disclosure requirements of ASC 740, which addresses the accounting for uncertainty in income taxes. Management has evaluated the Parish's tax positions and concluded that the Parish has taken no uncertain tax positions that require disclosure in the footnotes to the financial statements to comply with the provisions of this guidance. The Parish is not subject to income tax examinations by the U.S. federal, state, or local tax authorities before 2022.

REVENUE RECOGNITION

Revenue from Contracts with Customers (Tuition and Fees Revenue)

The Parish recognizes revenue from tuition and related fees when cash is received from students or on their behalf. Revenue is recognized only to the extent of cash received during the reporting period. Tuition revenue is derived from contracts with students for educational services provided by the Parish's school, which are considered to be within the scope of FASB ASC 606, *Revenue from Contracts with Customers*. Tuition revenue is generally collected at the beginning of the academic year and recognized as revenue at the time of collection. The Parish does not recognize revenue for amounts billed but not yet collected, nor does it defer revenue for cash received in advance of the academic term, as such amounts are recognized when received under the cash basis of accounting, except as described below.

St. John the Baptist Catholic Church
Notes to Financial Statements

OK Parental Choice Tax Credit- (Deferred Revenue)

The Parish participates in the OK Parental Choice Tax Credit program, under which it receives cash contributions designated for tuition assistance. Cash received under this program is deferred and recognized as revenue in the period in which the related tuition assistance is provided to students, in accordance with the program's requirements. Deferred revenue related to the OK Parental Choice Tax Credit is reported as a liability until the related tuition obligation is satisfied. This treatment is an exception to the Parish's general cash basis policy and is made to appropriately match the revenue with the related tuition assistance provided. The beginning and ending balances for deferred revenue were as follows for the year ended June 30:

	2025		2024		2023
Deferred Revenue	\$ 155,903	\$	436,157	\$	-

The following table provides information about significant changes in deferred revenue for the year ended December 31:

	2025		2024
Deferred Revenue, Beginning of Year	\$ 436,157	\$	-
Revenue Recognized that was Included in Deferred Revenue at the Beginning of Year	(436,157)		-
Increases in Deferred Revenue Due to Cash Received During Year	155,903		436,157
Deferred Revenue, End of Year	\$ 155,903	\$	436,157

Scholarships and Financial Aid

The Parish provides financial aid (scholarships) which are awarded on the basis of financial need. Financial aid is netted against gross tuition and fees for most students. For the years ended June 30, 2025 and 2024, the Parish awarded scholarships totaling \$596,200 and \$220,695, respectively. Dependents of the School's staff pay reduced tuition rates. The amount by which tuition is reduced for a dependent is included in tuition and fees revenue and in the employee benefits expense category of the St. Elizabeth Ann Seton School program category.

Contribution Revenue Recognition

The Parish recognizes contribution revenue when cash or other assets are received. Unconditional contributions, including pledges, are recognized as revenue when received. Conditional contributions, which depend on the occurrence of a specified future and uncertain event, are not recognized as revenue until the conditions have been substantially met.

RELATED PARTY RECEIVABLES AND ALLOWANCE FOR CREDIT LOSSES

The Parish may, from time to time, have receivables due from related parties, including affiliated organizations, members of management, and board members, as defined in FASB ASC 850-10-50. As of June 30, 2025 and 2024, respectively, the related party receivables in the financial statements mainly consisted of a receivable from an employee for the purchase of a car, which is being repaid through regular payroll deductions.

The Parish evaluates the collectability of related party receivables in accordance with the current expected credit loss (CECL) model under FASB ASC 326. In estimating expected credit losses, management considers historical collection experience, current conditions, and reasonable and supportable forecasts. Based on this evaluation, if management determines that the expectation of nonpayment is zero, no allowance for credit losses is recorded. This conclusion is based on the financial strength and payment history of the related parties, the secured nature of the repayment through payroll deductions, and the overall nature of the relationships. No provision for uncollectible accounts has been provided at June 30, 2025, as management considers all accounts fully collectible. The Parish will continue to monitor the collectability of related party receivables and adjust the allowance as necessary in future periods.

USE OF ESTIMATES

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

FUNCTIONAL EXPENSES

The statements of functional expenses report actual expenses that do not require allocation.

CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Parish to concentrations of credit risk consist principally of cash and cash equivalents. From time to time, the Parish has funds in excess of federally insured limits subject to credit risk. The Parish places its cash and cash equivalents with high credit quality financial institutions and, therefore, does not believe significant credit risk exists with these deposits.

SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 28, 2025, the date the financial statements were available to be issued.

NOTE 2 – LIQUIDITY AND AVAILABILITY

At June 30, 2025 and 2024, the Parish has \$2,574,994 and \$2,407,284, respectively, of cash and cash equivalents available to meet cash needs for general expenditures within one year of the statement of financial position date. The Parish maintains cash and cash equivalents, consisting of cash and short-term investments, on hand to meet its normal operating expenses based on its annual budget. Operating expenses are compared to budgeted expenses on a monthly basis and cash and cash equivalents are adjusted as necessary. As part of liquidity management, the Parish invests cash in excess of daily requirements in various short-term investments. The Parish also has \$378,674 and \$346,513 of operating reserves included in the endowment at June 30, 2025 and 2024, respectively. These funds are available to draw upon if necessary.

St. John the Baptist Catholic Church
Notes to Financial Statements

NOTE 3 – CAPITAL EXPENDITURES

Capital expenditures include the cost of significant construction or replacement projects of capital assets. These costs are reported as current year expenses in the year paid, and consist of the following for the years ended June 30:

	2025	2024
Homes Purchased/General Capital Expenditures	\$ 254,195	\$ 401,946
Parish/Rectory	1,714,463	124,636
School	453,211	447,753
	<u>\$ 2,421,869</u>	<u>\$ 974,335</u>

NOTE 4 – ENDOWMENTS

The Parish endowments consist of certain individual funds established for a variety of purposes. Its endowments include both donor restricted funds and funds designated by the Parish to function as endowments. Net assets associated with endowment funds, including designated by the Parish to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Parish has interpreted the Uniform Prudent Management of Institutional Funds Act as requiring the preservation of the fair value of a donation as of the date on which the donation was made, except where the donor provides different instructions or conditions in connection with the donation. Consistent with this interpretation, the Parish has classified as net assets with donor restrictions (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with the Act, the Parish considers the following factors in making a determination to maintain or distribute donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) the purposes of the Parish and the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation/depreciation of investments, (6) other resources of the Parish, and (7) the investment policies of the Parish.

The Parish invests its endowment funds with the Catholic Foundation of Oklahoma (the Foundation). In doing so, the Parish has inherently accepted the investment policies of the Foundation. The Parish believes the investment policies of the Foundation, when applied to the endowment funds, facilitate the Parish's ability to provide funding for programs and provide adequate returns for invested funds. Endowments include those assets of donor-restricted funds that the Parish must hold in perpetuity or for a donor-specified period as well as board designated funds. Under the Foundation's investment policy, the endowments are invested in a manner that is intended to provide acceptable investment returns, while assuming a moderate level of investment risk. The investment policy prohibits significant exposure to entities inconsistent with Catholic social teaching and requires compliance with USCCB Socially Responsible Investment Guidelines.

This investment policy expects its endowment funds, over time, to provide an average rate of return that is consistent with historical returns of assets allocated 60% equity-oriented, 32% income-oriented, 5% inflation-oriented, and 3% cash assets. Actual returns in any given year are dependent on market conditions and other factors, and they may vary from the expected investment return. To satisfy its long-term rate-of-return objectives, the Parish relies on the Foundation's investment policy, which has a strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

St. John the Baptist Catholic Church
Notes to Financial Statements

Endowment net asset composition and changes in endowment net assets for the year ended June 30, 2025 was as follows:

	Without Donor Restriction	With Donor Restriction	Total
Endowment Net Assets, Beginning of Year	\$ 346,513	\$ 602,198	\$ 948,711
Contributions	-	-	-
Investment Return:			
Investment Income	8,367	14,541	22,908
Net Appreciation (Realized and Unrealized)	23,794	41,349	65,143
Total Investment Return	32,161	55,890	88,051
Appropriation of Endowment Net Assets for Expenditure	-	-	-
Total Endowment Net Assets at June 30, 2025	\$ 378,674	\$ 658,088	\$ 1,036,762

Endowment net asset composition and changes in endowment net assets for the year ended June 30, 2024 was as follows:

	Without Donor Restriction	With Donor Restriction	Total
Endowment Net Assets, Beginning of Year	\$ 856,673	\$ 668,729	\$ 1,525,402
Contributions	-	-	-
Investment Return:			
Investment Income	13,236	16,464	29,700
Net Appreciation (Realized and Unrealized)	16,142	48,962	65,104
Total Investment Return	29,378	65,426	94,804
Appropriation of Endowment Net Assets for Expenditure	(539,538)	(131,957)	(671,495)
Total Endowment Net Assets at June 30, 2024	\$ 346,513	\$ 602,198	\$ 948,711

NOTE 5 – RETIREMENT PLAN

The Archdiocese sponsors a tax sheltered annuity plan covering lay employees of the diocese (including affiliated entities) who are at least 18 years of age and who have completed one year of service, working a minimum of 20 hours per week or at least 1,000 hours per year. The plan is funded by a combination of employer contributions, voluntary employee contributions and employer matching contributions. After a year of service, the Parish contributes 3% - 5% of the employee's salary, depending on the amount of the employee's

St. John the Baptist Catholic Church
Notes to Financial Statements

contribution. Plan participants are fully vested at all times in their voluntary contributions, gradually vest in employer contributions, and are fully vested in all contributions upon completion of six years of service. Forfeitures reduce future employer contributions. Retirement expense under the plan for the year ended June 30, 2025 and 2024 was \$112,857 and \$94,428, respectively. Priest's retirement expense for the year ended June 30, 2025 and 2024 was \$55,711 and \$49,953, respectively.

NOTE 6 – RELATED PARTY TRANSACTIONS

St. John the Baptist Catholic Church is governed by the Archdiocese of Oklahoma City. The Parish acquires property and auto insurance, workers compensation insurance, and employee health insurance from the Archdiocese. Payments for these items during the years ended June 30, 2025 and 2024 totaled \$776,030 and \$727,820, respectively. Additionally, as noted in Note 5, the Archdiocese sponsors the Parish's retirement plan.

As of June 30, 2024, the Parish entered into an agreement to purchase a vehicle for a priest. The priest is reimbursing the Parish for this vehicle through monthly payroll deductions. The outstanding balance owed to the Parish as of June 30, 2025 and 2024 totaled \$22,755 and \$30,749, respectively.

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes as of June 30:

	<u>2025</u>	<u>2024</u>
Subject to Expenditure for Specific Purpose:		
Peru Mission	\$ 53,560	\$ 40,355
Samaritan House	185,494	168,323
Project Gabriel	5,518	3,880
UCO	19,444	34,708
Emil Buettner	13,786	15,286
Fr. John Petuskey Scholarship	286,980	231,090
Walt Brown Trust	610,213	663,645
Char Dill Scholarship	18,271	17,971
St. Elizabeth Ann Seton School	99,944	23,125
OCMD Funds	-	1,478,132
Other	<u>139,200</u>	<u>7,549</u>
	1,432,410	2,684,064
Subject to the Organization's Spending Policy and Appropriation:		
Other Restrictions:		
Other donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	<u>371,108</u>	<u>371,108</u>
With Donor Restriction	<u>\$ 1,803,518</u>	<u>\$ 3,055,172</u>

St. John the Baptist Catholic Church
Notes to Financial Statements

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by donors as follows for the year ended June 30:

	<u>2025</u>	<u>2024</u>
Purpose restrictions accomplished:		
Parish Departmental	\$ 46,286	\$ 48,131
Peru Mission	50,913	117,842
Samaritan House	246,117	222,167
Project Gabriel	362	730
UCO	212,829	191,681
Emil Buettner	1,500	1,500
Fr. John Petuskey Scholarship	-	97,000
Walt Brown Trust	135,163	154,589
OCMD Funds	1,536,794	-
Char Dill Scholarship	-	600
St. Elizabeth Ann Seton School	410,291	280,091
Other	<u>332,403</u>	<u>76,489</u>
Total Restrictions Released	<u><u>\$ 2,972,658</u></u>	<u><u>\$ 1,190,820</u></u>